Eurotin Inc.
Condensed Interim Consolidated Financial Statements

June 30, 2011

Notice to Reader

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements as at and for the three months ended June 30, 2011 have not been reviewed by the Company's auditors.

Management's Responsibility for Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Eurotin Inc. (the "Corporation") are the responsibility of management and the Board of Directors.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed consolidated interim financial statements and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "Peter Miller" (signed) "Harvey McKenzie"

Chief Executive Officer Chief Financial Officer

Toronto, Canada
September 22, 2011

EUROTIN INC.
Condensed Interim Consolidated Statement of Financial Position
(unaudited)

(Canadian dollars)	Note	June 30, 2011 $	March 31, 2011 (Note 20) $	January 1, 2010 (Note 20) $
ASSETS				
Current assets				
Cash and cash equivalents		**664,125**	1,984,846	309,831
Amounts receivable and other assets	6	**500,030**	280,684	84,842
		1,164,155	2,265,530	394,673
Non-current assets				
Equipment	8	67,837	62,844	6,523
Exploration and evaluation assets	7	4,558,129	3,751,456	698,761
		4,625,966	3,814,300	705,284
Total Assets		**5,790,121**	6,079,830	1,099,957
LIABILITIES				
Current liabilities				
Amounts payable and other liabilities	9	**481,220**	796,919	403,450
Due to related parties		**31,029**	43,348	-
		512,249	840,267	403,450
Non-current assets liabilities				
Convertible debt	10	-	-	470,803
SHAREHOLDERS' EQUITY				
Share capital	11	**12,511,184**	5,236,703	411,920
Common shares to be issued		**-**	1,207,078	281,360
Equity portion of convertible debt		**-**	-	131,846
Warrants	11	**240,560**	419,054	223,478
Contributed surplus	11	**1,027,642**	534,143	-
Deficit		**(8,501,514)**	(2,157,415)	(822,900)
		5,277,872	5,239,563	225,704
Total Liabilities and Shareholders' Equity		**5,790,121**	6,079,830	1,099,957

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The accompanying notes are an integral part of these condensed interim consolidated financial statements. The condensed interim consolidated financial statements were approved by the Board on September 22, 2011 and were signed on its behalf.

Director "David Danziger"　　　　Director "John Hick"

EUROTIN INC.
Condensed Interim Consolidated Statement of Comprehensive Loss
(unaudited)

(Canadian dollars)	Note	Three months ended June 30, 2011 $	2010 $
Revenue		**-**	-
Salaries and benefits		**50,490**	15,529
Share-based payments	11	**503,666**	-
Professional fees		**284,099**	50,481
Depreciation	8	**12,229**	-
General and administrative		**111,197**	51,270
Reporting issuer costs		**49,833**	-
Investor relations		**44,052**	-
Travel expenses		**44,160**	-
Loss from operations		**(1,099,726)**	(117,280)
Reverse takeover transaction costs	12	**(5,186,347)**	-
Interest, accretion and financing fees		**-**	(15,953)
Net foreign exchange gain (loss)		**(58,026)**	(3,898)
Total comprehensive loss attributable to owners of the Company		**(6,344,099)**	(137,131)
Loss per share			
Basic	16	**(0.11)**	(0.01)
Diluted	16	**(0.11)**	(0.01)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

EUROTIN INC.
Condensed Interim Consolidated Statement of Changes in Equity
(unaudited)

(Canadian dollars)	Note	Share capital $	Common shares to be issued $	Contributed surplus $	Warrants $	Equity portion of convertible debt $	Deficit $	Total Equity $
As at January 1, 2010		411,920	281,360	-	223,478	131,846	(822,900)	225,704
Net income/(loss) for the period							(1,334,515)	(1,334,515)
Common shares issued		4,888,514	(281,360)					4,607,154
Common shares to be issued			1,207,078					1,207,078
Common shares issued for convertible debt		131,846				(131,846)		-
Share-based compensation expenses				534,143				534,143
Warrants and options exercised		(195,577)			195,577			-
As at March 31, 2011		**5,236,703**	**1,207,078**	**534,143**	**419,054**	**-**	**(2,157,415)**	**5,239,563**
As at March 31, 2011		5,236,703	1,207,078	534,143	419,054		(2,157,415)	5,239,563
Net income/(loss) for the period							(6,344,099)	(6,344,099)
Consideration for reverse takeover transactions		5,046,250		145,700				5,191,950
Warrants and options exercised		2,228,231	(1,207,078)	(155,867)	(178,494)			686,792
Share-based compensation expenses				503,666				503,666
As at June 30, 2011		**12,511,184**	**-**	**1,027,642**	**240,560**	**-**	**(8,501,514)**	**5,277,872**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

EUROTIN INC.
Condensed Interim Consolidated Statement of Cash flows
(unaudited)

(Canadian dollars)	Note	**Three months ended June 30, 2011**	Fifteen months ended March 31, 2011 (Note a)
		$	$
Cash provided by (used for) the following activities			
Operating activities			
Loss attributable to owners of the Company for the period		**(6,344,099)**	(1,334,515)
Add (deduct):			
Depreciation	8	**12,229**	2,687
Share-based payment expense	11	**503,666**	534,143
Reverse takeover transaction cost	12	**5,186,347**	-
Foreign exchange gain on non-cash item		**-**	69
Accretion expenses and non-cash interests		**-**	79,129
		(641,857)	(718,487)
Change in non-cash working capital			
Change in amounts receivable and other assets		**(119,346)**	(195,842)
Change in amounts payable and other liabilities		**(420,336)**	(30,425)
Cash used in operating activities		**(1,181,539)**	(944,754)
Investment activities			
Additions to equipment	8	**(17,222)**	(59,008)
Additions to exploration and evaluation assets	7	**(806,673)**	(2,161,553)
Cash used in investing activities		**(823,895)**	(2,220,561)
Financing activities			
Advances (repayments) of shareholders' loan		**(12,319)**	33,723
Exercise of warrants		**686,784**	
Proceeds from issuance of common shares and common shares to be issued, net of share issue costs			4,731,607
Advances from Eurotin Inc.			75,000
Cash from financing activities		**674,465**	**4,840,330**
Net foreign exchange effect on cash and cash equivalents		**-**	-
Increase (decrease) in cash and cash equivalents		**(1,330,969)**	1,675,015
Cash and cash equivalents, beginning of period		**1,984,846**	309,831
Cash acquired upon reverse takeover of Eurotin		**10,248**	-
Cash and cash equivalents, end of period		**664,125**	1,984,846

As at June 30, 2011 $621,564 was held in Canadian Dollars and 42,561 was held in Euros.

Note a: In accordance with IFRS 1.32, an entity is required to provide a cash flow statement of the comparable interim period of the immediately preceding financial year, only if it presented an interim financial report for that period. Stannico did not publish any financial information as at June 30, 2010 as it was not a public entity at that time. Consequently, the Company has not presented a cash flow statement for the period ending June 30, 2010.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. General information

Eurotin Inc. (the "Company" or "Eurotin") is a publicly traded junior mining exploration company engaged in the acquisition, exploration and development of mineral property interests in Spain.

Stannico Resources Inc. ("Stannico") was incorporated on October 9, 2008 under the laws of the province of Ontario. The Company controls 100% of the issued common shares of Minas De Estano De Espana, S.L.U. ("MEE"), a private corporation incorporated on November 29, 2006 whose business is the exploration, research, exploitation and utilization of mineral deposits, resources and substances, as well as the establishment of industries related to them, to obtain mining, industrial and chemical products and processed products in general.

On April 18, 2011, Stannico completed a reverse takeover ("RTO") of Eurotin Inc. Eurotin was incorporated under the Ontario Business Corporations Act on July 31, 2008 and was a "Capital Pool Corporation" ("CPC"), as this term is defined in the policies of the Toronto Stock Exchange Venture Exchange (the "Exchange") and accordingly had no significant assets other than cash and no commercial operations. On April 18, 2011, Eurotin changed its year end to March 31.

The unaudited condensed consolidated interim financial statements of the Company for the three months ended June 30, 2011 was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on September 22, 2011.

These financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The exploration, development and financing of mineral properties involve substantial risks and several phases of exploration, evaluation and financing. The ability of the Company to continue operations and achieve profitability is dependent upon obtaining the necessary financing to complete the successful development of its mineral properties and ultimately upon the discovery and commercialization of mineral resources. These financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

As at June 30, 2011, the Company had recorded losses and net cash outflows from operations since its incorporation. The Company, as a result of an equity financing associated with the RTO, has sufficient funding to finance its planned exploration program over the next 18 months.

The Company operates from its headquarters in Ontario, Canada and also through two wholly-owned subsidiaries: Stannico Resources Inc. and Minas De Dstano De Espana, S.L.U.. These subsidiaries represent the interest of Eurotin Inc. in Spain. The address of the registered office is Suite 1600 320 Bay Street Toronto, ON, M5H 4A6.

The Company is in the exploration stage with regards to its mineral assets.

2. Basis of preparation

Statement of compliance
The condensed interim consolidated financial statements for the period ended June 30, 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements are the Company's first financial statements prepared under IFRS. The Company adopted IFRS in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") with a transition date to IFRS of January 1, 2010. Consequently the comparative figures for 2010 and the Company's statement of financial position as at January 1, 2010 have been restated from accounting principles generally accepted in Canada ("Canadian GAAP") to comply with IFRS.

The reconciliations to IFRS from the previous Canadian GAAP financial statements are summarized in Note 20. In addition, IFRS 1 allows certain exemptions from retrospective application of IFRS in the opening statement of financial position. Where these have been used they are explained in Note 20.

These condensed interim consolidated financial statements should be read in conjunction with the Company's March 31, 2011 annual financial statements prepared in accordance Canadian GAAP and in consideration of the IFRS transition disclosures included in Note 20.

Basis of measurement
These condensed interim consolidated financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention.

Use of estimates and judgments
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 4.

Functional and presentation currency
These condensed interim consolidated financial statements are presented in Canadian dollars which is the Company's functional currency.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

A) Basis of Consolidation

Subsidiaries
Subsidiaries are entities controlled by Eurotin. Control is achieved where the entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the condensed interim consolidated statement of comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

A) Basis of Consolidation (continued)

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the condensed interim consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated to the extent of the Company's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment

B) Cash and cash equivalents

Cash in the condensed consolidated interim statements of financial position comprise cash at banks. The Company's cash is invested with major financial institutions in business accounts that are available on demand by the Company for its programs. The Company does not invest in any asset backed deposits/investments.

C) Foreign currency translation

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the statement of comprehensive income.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in accumulated other comprehensive income in shareholders' equity. Additionally, foreign exchange gains and losses related to certain intercompany loans that are permanent in nature are included in accumulated other comprehensive income.

The functional currency, as determined by management, of Eurotin and its subsidiaries is the Canadian Dollar. For the purpose of the unaudited condensed consolidated interim financial statements, the results and financial position are expressed in Canadian Dollars.

D) Exploration and evaluation expenditures

General exploration and evaluation ("E&E") expenditures incurred prior to acquiring the legal right to explore are charged to the consolidated statement of comprehensive loss as incurred.

E&E expenditures incurred subsequent to acquisition of the legal right to explore, including license and property acquisition costs, geological and geophysical expenditures, costs of drilling exploratory holes and directly attributable overhead including salaries and employee benefits, are initially capitalized as E&E assets. E&E assets are not depleted and are moved into property, plant and equipment when they are determined to meet certain technical feasibility and commercial viability thresholds as determined by management. Upon transfer to property, plant and equipment, E&E assets are assessed for impairment in addition to regular impairment reviews to ensure they are not carried at amounts above their estimated recoverable values.

E) Equipment

Equipment is carried at cost less accumulated depreciation. Depreciation is charged on a straight line basis so as to write-off the cost of these assets less residual value over their estimated useful economic lives, which is estimated to be 3 to 5 years.

F) Non-derivative financial instruments

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

At initial recognition, all financial instruments and are classified in one of the following categories depending on the purpose for which the instruments were acquired:

Loans and receivables
Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment losses, with interest expense recognized on an effective yield basis. Assets in this category include cash and amounts receivable and other assets.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Any gains or losses arising from the realization of other financial liabilities are included in the profit (loss) statement. Liabilities in this category include amounts payable and other liabilities and due to related parties.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

G) Compound financial instruments

Compound financial instruments issued by the Company consist of convertible debentures that can be converted into common shares of the Company. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

H) Impairment

Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Significant financial difficulties of a debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the financial asset is impaired. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of comprehensive loss. When a financial asset is uncollectible, it is written off against the allowance account for trade receivables.

H) Impairment (continued)

Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its long lived assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU's, or otherwise they are allocated to the smallest group of CGU's for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in comprehensive loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in comprehensive loss.

I) Share-based payments

The Company operates an equity-settled compensation plan under which it receives services from employees, directors and consultants as consideration for equity instruments of the Company.

The fair value of share options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of share-based payments to employees is measured at the grant date and recognized over the period during which the options vest. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are measured and recorded at the date the goods or services are received.

The Company uses the Black-Scholes pricing model to estimate the fair value of equity-settled awards to employees at the grant date. The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

When recognizing the fair value of each tranche over its respective vesting period, the Company incorporates an estimate of the number of options expected to vest and revises that estimate when subsequent information indicates that the number of options expected to vest differs from previous estimates.

No expense is recognized for awards that do not ultimately vest, except for equity-settled awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

J) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of the provision to be reimbursed, the expense relating to any provision is presented in the consolidated statement of comprehensive loss net of the reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statement of comprehensive income

K) Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the condensed consolidated interim statement of comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Income tax
Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax
Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

L) Finance expenses

Finance expenses comprise interest expense on borrowings, accretion of provisions and any impairment losses recognized on financial assets.

Borrowing costs incurred for the construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the assets for their intended use or sale. All other borrowing costs are recognized in the condensed consolidated interim statement of comprehensive loss using the effective interest method. Interest has been capitalized at the rate of interest applicable to the specific borrowings financing the asset, or where financed through general borrowings, at a capitalization rate representing the average interest rate on such borrowings.

M) Earnings per share ("EPS")

Basic EPS is calculated by dividing profit or loss attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of units) is calculated by adjusting the shares in issue at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted EPS. All options are considered anti-dilutive when the Company is in a loss position

N) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's President and Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. Critical judgments and accounting estimates

The preparation of the interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the interim consolidated financial statements are:

Useful lives of equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

4. Critical judgement and accounting estimates (Continued)

Share-based payment transaction
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option.

Fair value of financial instruments
The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes
Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Significant financial difficulties of a debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

5. Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2010 or later periods. The standards impacted that are applicable to the Company are as follows:

a) IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2013, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The Company is currently assessing the impact of this standard.

All amounts disclosed are in Canadian dollars unless otherwise stated.

5. Recent accounting pronouncements

b) IFRS 10, 'Consolidated Financial Statements' was issued in May 2011 and will supersede the consolidation requirements in SIC-12 'Consolidation – Special Purpose Entities' and IAS 27 'Consolidated and Separate Financial Statements' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is currently assessing the impact of this standard.

c) IFRS 11, 'Joint Arrangements' was issued in May 2011 and will supersede existing IAS 31, 'Joint Ventures' effective for annual period beginning on or after January 1, 2013, with early application permitted. IFRS 11 provides for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The Company is currently assessing the impact of this standard.

d) IFRS 12, 'Disclosure of Interests in Other Entities' was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is currently assessing the impact of this standard.

e) IFRS 13, 'Fair Value Measurement' was issued in May 2011 and sets out in a single IFRS a framework for measuring fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is currently assessing the impact of this standard.

6. Amounts receivable and other assets

	June 30, 2011 $	March 31, 2011 $	January 1, 2010 $
Sales tax receivable – (Spain)	**478,005**	259,049	78,092
Prepaid expenses	**22,025**	21,635	6,750
	500,030	280,684	84,842

7. Mineral properties and deferred exploration expenditures

	Oropesa property $	**Santa Maria property $**	**Total $**
Cost			
At January 1, 2010	426,858	271,903	698,761
Additions	2,004,387	1,048,308	3,052,695
At March 31, 2011	**2,431,245**	**1,320,211**	**3,751,456**
Additions	**763,896**	**42,777**	**806,673**
At June 30, 2011	**3,195,141**	**1,362,988**	**4,558,129**

On February 15, 2008, MEE acquired the right to earn a 50% direct interest in the Oropesa Investigation Permit No. 13.050 ("IP Oropesa") from Sondeos y Perforaciones Industriales del Biezro, SA ("SPIB"). The property (the "**Oropesa Property**") is situated in Spain within the North East part of the Region of Andalucía and totals 23.4km^2.

7. Mineral properties and deferred expenditures (Continued)

MEE satisfied the terms to earn a 50% interest in IP Oropesa by spending €1,500,000 on exploration on the Oropesa Property over a three year period. A further 50% equity interest in IP Oropesa can be acquired by MEE by either:

(a) granting SPIB a 1.35% net smelter royalty; or
(b) paying SPIB 0.90% of the value of the metal reserves at the time of feasibility;

and in the event of commercial production MEE has committed to issue to SPIB 4% of the equity of the entity developing and mining IP Oropesa.

In order to keep the right in good standing MEE must make annual lease payments of €18,000 ($24,660 as at March 31, 2011).

On March 13, 2008, the Company entered into an option agreement (the "Option Agreement") with Minas Aguas Tenidas S.A.U ("MATSA") whereby MATSA was granted the right to earn a 25% interest in the IP Oropesa. In order to earn such interest, MATSA is required to pay MEE an amount equal to double the amount of the expenses incurred by MEE to bring the Oropesa Property to pre-feasibility status.

The initial term of this Option Agreement was the 36 months period from March 13, 2008 to March 13, 2011. Thereafter, the Option Agreement automatically renews for subsequent one year terms unless the Option Agreement is terminated by either party by providing written notice not less than 90 days prior to the expiration of the initial term or any renewal term, the agreement is in effect.
In the event MATSA exercises the right granted in the Option Agreement, the parties have agreed that they will enter into a joint venture agreement with respect to the Oropesa Property which shall provide, amongst other things that MATSA will fund 25% of the expenditures required to complete a bankable feasibility study for the Oropesa property.

On December 11, 2010, MEE and Quercus Explorations y Mining S.A. ("QEM") entered into an agreement (which amended and replaced a previous agreement between the parties dated August 8, 2008) whereby both parties agreed to form and enter into a joint venture as it relates to the "Santa Maria" property (the "Santa Maria Property"). The Santa Maria Property is located approximately 50 kilometers north of Caceres in Extremadura Province in West Central Spain. The Santa Maria Property is comprised of Investigation Permit Ampliacion Retamar nº 10.220 and Investigation Permit Retamar nº 10.201, both of which are held by QEM. Pursuant to the terms of the agreement, a new company – Minas De Estano De Extremadura, S.L. ("MESEX") – was incorporated on February 25, 2011, and the parties agreed that both Investigation Permit Ampliacion Retamar nº 10.220 and Investigation Permit Retamar nº 10.201 shall be transferred to MESEX. The parties further agreed that MEE and QEM will own 60% and 40%, respectively, of MESEX. In consideration for its interest in MESEX, MEE (or the Company on behalf of MEE) has paid to QEM:

(a) US$200,000 through the issuance of 1,386,667 common shares of Stannico (which were exchanged for 1,040,000 common shares of the Company upon completion of the Qualifying Transaction) at an issue price of CDN$0.15 per share; and

(b) €145,000 in cash.

In addition, MEE paid to QEM €265,000 in cash for certain information relating to the Santa Maria Property.

The joint venture agreement has not yet been completed. The payments made to date have been accounted for as mineral property expenditures until such time as the terms of the joint venture are finalized.

All amounts disclosed are in Canadian dollars unless otherwise stated.

8. Equipment

	Software $	Automobiles $	Machinery $	Furniture and fixtures $	Computer equipment $	Total $
Cost						
At January 1, 2010	-	-	-	894	7,509	8,403
Additions	21,674	24,515	6,817	-	6,003	59,009
At March 31, 2011	21,674	24,515	6,817	894	13,512	67,412
Additions	-	10,175	1,496	5,551	-	17,222
At June 30, 2011	21,674	34,690	8,313	6,445	13,512	84,634
Depreciation and impairment						
At January 1, 2010	-	-	-	98	1,782	1,880
Charge for the period	-	1,429	134	52	1,073	2,688
At March 31, 2011	-	1,429	134	150	2,855	4,568
Charge for the period	9,482	1,461	137	53	1,096	12,229
At June 30, 2011	9,482	2,890	271	203	3,951	16,797
Net book value						
January 1, 2010	-	-	-	796	5,727	6,523
March 31, 2011	21,674	23,086	6,683	744	10,657	62,844
June 30, 2011	12,192	31,800	8,042	6,242	9,561	67,837

During the period ended June 30, 2011, no general and administrative costs were capitalized (2010 – nil). No impairment write-down was required as at June 30, 2011.

9. Amounts payable and other liabilities

	June 30, 2011 $	March 31, 2011 $	January 1, 2010 $
Current			
Trade payables	431,350	785,355	339,450
Accrued expenses	49,870	11,564	64,000
	481,220	796,919	403,450

Trade payables are non-interest bearing and are normally settled on 30 to 90 day terms.

All amounts disclosed are in Canadian dollars unless otherwise stated.

10. Convertible debts

The convertible debt was incurred in 2008. The fair value of the liability component of the note, calculated at issuance, in the amount of $368,154, was calculated as the present value of the principal and interest, discounted at 18%, a rate of approximately the market interest rate that would have been applicable to non convertible debt at the time the notes were issued. This portion of the notes is accreted over the term to the full face value by recording accretion expense using the effective interest method. The equity component of the note, in the amount of $131,846, is comprised of the value of the exchange option, being the difference between the face value of the note and the fair value of the liability component.

Included in the convertible long-term debt balance was a loan, with a face value of $50,000, owed to a company controlled by a director of the Company.

During the fifteen months ended March 31, 2011, the convertible loans and accrued interest were fully converted into common shares.

During the three months ended June 30, 2011, $nil interest was accrued using the EURIBOR rate of 1.23% (three months ended June 30, 2010 - $1,116).

	Liability component $
Liability component as at January 1, 2010	440,582
Accretion	44,510
Conversion of debentures	(485,092)
Liability component as at March 31, 2011 and June 30, 2011	-

	Equity component $
Equity component as at January 1, 2010	59,418
Equity –reallocation upon repayment (at maturity)	(59,418)
Equity component as at March 31, 2011 and June 30, 2011	-

All amounts disclosed are in Canadian dollars unless otherwise stated.

11. Share capital and reserves

A) Authorised

The Company is authorized to issue an unlimited number of Common or Preferred Shares without nominal or par value.

B) Issued shares

The Company has not issued any preferred shares as of June 30, 2011.

The common shares issued by the Company are shown in the following table:

	Number of Shares	$
As at January 1, 2010	14,673,998	411,920
Shares issued on private placements	27,591,458	4,035,125
Shares issued as finder's fee	383,334	46,000
Shares issued for debt	8,297,490	694,624
Shares issued pursuant to a drilling services arrangement	1,200,000	180,000
Share issue costs	-	(275,235)
Valuation of warrants issued	-	(195,577)
Equity component of convertible debt	-	131,846
Share issued to Quercus Explorations y Mining S.A. ("QEM")	1,386,667	208,000
At March 31, 2011	53,532,947	5,236,703
Issue of common shares for warrants exercise	7,370,233	1,252,078
Fair value of warrants exercised	-	164,247
Conversion of Stannico shares to Eurotin shares upon RTO (i)	(15,225,796)	-
Deemed consideration for RTO of Eurotin	10,092,500	5,046,250
Warrants exercised	1,360,000	423,042
Fair value of warrants exercised	-	14,247
Options exercised	1,291,750	218,750
Fair value of options exercised	-	155,867
As at June 30, 2011	58,421,634	12,511,184

On April 18, 2011, Stannico completed the RTO of Eurotin through which Eurotin acquired of all the issued and outstanding securities of Stannico. Concurrently with the completion of the acquisition by Eurotin, 7,370,233 warrants of the Company were exercised. Pursuant to the acquisition agreement, in exchange for obtaining all of the issued and outstanding securities of the Company, Eurotin issued to the former shareholders of the Company, at a conversion rate of the securities in the ratio of 1.33 to 1, a total of 45,677,384 common shares, 12,968,560 warrants, 3,821,250 options (with each warrant and each option entitling the holder to acquire one common share of Eurotin) and 624,500 compensation options. Each compensation option is exercisable into a unit of Eurotin (with each option entitling the holder to acquire one common share and one half warrants and each whole warrant entitling the holder to acquire one common share of Eurotin).

All amounts disclosed are in Canadian dollars unless otherwise stated.

11. Share capital and reserves (continued)

C) Issued warrants

A summary of the changes in the Company's share purchase warrants during the period ended June 30, 2011 and the year ended March 31, 2011 are as follows:

	Number of Warrants	Weighted Average Exercise Price $
At January 1, 2010	7,673,998	0.11
Issued	16,987,710	0.211
At March 31, 2011	24,661,708	0.180
Exercised before the RTO	(7,370,233)	0.17
Conversion to Eurotin warrants upon RTO	(4,322,915)	-
Exercised subsequent to the RTO	(1,360,000)	0.28
At June 30, 2011	11,608,560	0.24

As at June 30, 2011, the following common share purchase warrants were outstanding:

Number of warrants	Weighted Average Exercise Price $	Expiry date	Weighted Average Years to Expiry
3,317,955	0.13	Dec 31, 2011	0.50
405,061	0.20	Feb 10, 2012	0.62
1,299,609	0.24	Feb 10, 2012	0.62
127,500	0.30	May 20, 2012	0.89
627,810	0.30	Jul 14, 2012	1.04
1,330,625	0.30	Nov 3, 2012	1.35
450,000	0.30	Nov 3, 2012	1.35
4,050,000	0.30	Dec 15, 2012	1.46
11,608,560	0.19		

D) Contributed surplus

The contributed surplus reserve is used to recognise the fair value of share options granted to employees, including key management personnel, as part of their remuneration. When options are subsequently exercised, the fair value of such options in contributed surplus is credited to share capital. Refer to Note 13 for further details of these plans.

	Contributed surplus $
As at January 1, 2010	-
Share-based payment	534,143
As at March 31, 2011	534,143
Consideration of RTO transaction	145,700
Share-based payment	503,666
Stock options exercised	(155,867)
As at June 30, 2011	1,027,642

All amounts disclosed are in Canadian dollars unless otherwise stated.

12. Reverse takeover

The share capital of each company prior to the Reverse Takeover ("RTO") was as follows:

	Number of shares	Amount $
Eurotin		
Balance as at March 31, 2011	10,092,500	686,750
Balance as at April 18, 2011 prior to the RTO	10,092,500	686,750
Stannico		
Balance as at March 31, 2011	53,532,947	5,104,857
Balance as at April 18, 2011 prior to the RTO	60,903,180	6,488,781

On April 18, 2011, the Company completed its acquisition of all of the issued and outstanding securities of Stannico. In accordance with IFRS 3, Business Combination, the substance of the transaction is a reverse takeover of a non-operating company. The transaction does not constitute a business combination as Eurotin does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with the Stannico being identified as the acquirer and the equity consideration being measured at fair value. The resulting statement of financial position is presented as a continuance of the original Stannico and comparative figures presented in the financial statements after the reverse takeover are those of the original Stannico.

IFRS 2 applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or service received in return. Because Stannico issued shares with a value in excess of the assets received, IFRS 2 would indicate that the difference is recognized in comprehensive loss as a transaction cost. The amount assigned to the transaction cost of $5,186,347 is the difference between the fair value of the consideration and the net identifiable assets of Eurotin acquired by Stannico and included in the consolidated statement of loss and comprehensive loss.

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders have in the amalgamated entity after the transaction. This represents the fair value of the shares that Stannico would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Stannico acquiring 100% of the shares in Eurotin. The percentage of ownership Eurotin shareholders had in the combined entity is 18% after the issue of 45,677,384 shares of Eurotin shares. The fair value of the consideration in the reverse takeover is equivalent to the fair value of the 10,092,500 Eurotin shares controlled by original Eurotin shareholders and 364,250 stock options issued to Eurotin stock options holders. The fair value of the Eurotin shares was estimated to be $5,046,250 based on fair market value of $0.5 per share on the date of April 20, 2011, the first trading day of Eurotin shares after the Reverse Takeover. The fair value of the stock options was estimated to be $145,700 using Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk free interest rate 0.98%; and an expected life of 0.16 years.

All amounts disclosed are in Canadian dollars unless otherwise stated.

12. Reverse takeover (continued)

Based on the statement of financial position of Eurotin at the time of the Reverse Takeover, the net assets at estimated fair value that were acquired by Stannico and the resulting transaction cost charged to the statement of loss and comprehensive loss is as follows:

	Amount $
Consideration	5,191,950
Identifiable Assets acquired	
Cash	10,248
Other assets	100,000
Accounts payables and accrued liabilities	(104,645)
Cash	(485,092)
	5,603
Unidentifiable assets acquired	
Transaction costs	5,186,347
Total net identifiable assets and transaction cost	5,191,950

13. Share-based payments

The Company has implemented a long-term incentive plan (the "Plan") that allows management to award stock options to eligible directors, officers, employees and contractors for up to a maximum of 10 percent of its issued and outstanding Common Shares at market price at the date of the grant. The terms of the options are set by the Board of Directors at the time of grant and a term not exceeding five years.

A summary of the share option transactions for the periods ended June 30, 2011 and March 31, 2011 are as follows:

	Number of options	Weighted average exercise price $
Outstanding at January 1, 2010	-	
Granted	5,774,999	0.19
Outstanding at March 31, 2011(a)(b)(c)	5,774,999	0.19
Converted to Eurotin stock options upon RTO	(1,443,749)	0.20
Granted (d)(e)(f)	1,989,250	0.83
Exercised	(979,250)	0.23
Expired	(10,000)	0.10
Outstanding at June 30, 2011	5,331,250	0.49

(a) On August 1, 2010, the Stannico granted to directors, officers and consultants of the Company 3,675,000 stock options to acquire common shares of the Company. The options vest immediately and are exercisable at a price of $0.20 per share for a period of five years from the date of issuance. The fair value of stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 2.29%; and an expected life of 5 years. As a result, the fair value of the stock options was estimated as $386,338. This amount has been recorded as stock-based compensation in the fifteen months ended March 31, 2011. On April 18, 2011, upon reverse takeover, these stock options were converted into 2,756,250 stock options of Eurotin at an exchange ratio of four for three. At the same time, the exercise price was changed to $0.27 with other terms remaining unchanged.

13. Share-based payments (continued)

(b) On January 25, 2011, the Stannico granted to directors, officers and consultants of the Company 1,266,666 stock options to acquire common shares of the Company. The options vest immediately and are exercisable at a price of $0.20 per share for a period of five years from the date of issuance. The fair value of stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 2.55%; and an expected life of 5 years. As a result, the fair value of the stock options was estimated as $133,638. This amount has been recorded as stock-based compensation in the fifteen months ended March 31, 2011. On April 18, 2011, upon reverse takeover, these stock options were converted into 950,000 stock options of Eurotin at an exchange ratio of four for three. At the same time, the exercise price was changed to $0.27 with other terms remaining unchanged.

(c) On December 15, 2010 the Stannico issued 833,333 broker compensation options. Each compensation option is exercisable into a unit of the Company. Each unit consists of one common shares and a half warrant at a price of $0.225 per share until December 15, 2012. The fair value of these options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 2.55%; and an expected life of one month. As a result, the fair value of the stock options was estimated as $14,167. This amount was recorded as share issue costs in the fifteen months ended March 31, 2001. On April 18, 2011, upon reverse takeover, these stock options were converted into 625,000 stock options of Eurotin at an exchange ratio of four for three.

(d) On April 18, 2011, the Company issued to directors, officers and consultants of the Company 125,000 stock options to acquire common shares of the Company. The options vest immediately and are exercisable at a price of $0.27 per share for a period of 4.78 years. The fair value of the stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield 0%; volatility of 100%; risk free interest rate of 2.55%; and an expected life of 4.78 years. As a result, the fair value of the stock options was estimated at $17,583 and the amount was recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss for the three months ended June 30, 2011.

(e) On May 4, 2011, the Company issued to directors, officers and employees of the Company 1,500,000 stock options to acquire common shares of the Company. The options vest one-third on the date of grant, one-third on the first anniversary of the date of grant and one-third one the second anniversary of the date of grant. These options are exercisable at a price of $1.05 per share for a period of 5 years. The fair value of the stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 2.20%; and an expected life of 5 years. As a result, the fair value of the stock options was estimated at $1,182,000. During the three months ended June 30, 2011, $486,083 was recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss.

(f) 364,250 stock options of Eurotin outstanding as at April 18, 2011 was deemed as part of the consideration for the reverse takeover (see Note 12), and these options were valued on April 18, 2011, the date of the reverse takeover, using Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 0.98%; and an expected life of 0.16 years. As a result, the fair value of the stock options was estimated at $145,700 and the amount was recorded as part of the reverse takeover transaction cost in the condensed consolidated interim statements of loss and comprehensive loss for the three months ended June 30, 2011.

All amounts disclosed are in Canadian dollars unless otherwise stated.

13. Share-based payments (continued)

The following table summarizes stock options outstanding and exercisable under the Plan:

	June 30, 2011		March 31, 2011		January 1, 2010	
Exercise prices ($)	**Number outstanding**	**Expiry date**	**Number outstanding**	**Expiry date**	**Number outstanding**	**Expiry date**
0.20			3,675,000	1-Aug-15		
0.20			1,266,666	25-Jan-16		
0.225			833,333	15-Dec-12		
0.27	2,756,250	1-Aug-15				
0.27	950,000	1-Feb-16				
0.27	125,000	7-Apr-16				
1.05	1,500,000	4-May-16				
	5,331,250		5,774,999		-	

The estimated weighted average fair value of share options granted during the period was $0.79 (March 31, 2011 - $0.09) per unit option. The fair value of each share option grant was estimated on the date of the grant, as determined by using the Black-Scholes option-pricing model with the following assumptions:

	June 20, 2011	March 31, 2011
Expected free interest rate (%)	2.20%	2.55%
Expected volatility (%)	100%	100%
Expected life (in years)	5	5
Expected dividends ($)	-	-

14. Related party transactions

The interim consolidated financial statements include the financial statements of Eurotin Inc. and its wholly owned subsidiary Stannico and MME.

Balances and transactions between Eurotin Inc. and its wholly owned subsidiary have been eliminated on consolidation and are not disclosed in this note.

Transactions with related parties

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

(a) The Company entered into the following transactions with related parties:

	Three Months Ended	
	June 30, 2011	**June 30, 2010**
	$	**$**
MSCM LLP (i)	21,810	-

The above transactions occurred in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties

i. One of the Directors of the Company is a partner of MSCM LLP. Fees relate to the accounting services provided.

All amounts disclosed are in Canadian dollars unless otherwise stated.

14. Related party transactions (Continued)

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the period were as follows:

	June 30, 2011 $	June 30, 2010 $
Salaries and benefits (ii)	92,613	-
Share-based payment	416,427	-
	509,040	-

ii. The Board of Directors and selected Officers do not have employment or service contracts with the Company. Directors are entitled to directors' fees and stock options for their services and officers are entitled to stock options for their services. As at June 30, 2011, the total amount owed to the CEO and CFO for their salaries was $34,156, of which $31,029 was included in due to shareholder and the remaining was included in amounts payable and other liabilities.

15. Segmented information

The Company operates in one reportable segment, being the acquisition and exploration of mineral property interests and in two geographical segments, Canada and Spain. The capital assets (including mineral properties) and total assets identifiable with these geographic areas are as follows:

June 30, 2011	**Canada**	**Spain**	**Total**
Current assets	$ 621,564	$ 542,591	$ 1,164,155
Mineral properties	-	4,558,129	4,558,129
Equipment	-	67,837	67,837
	$ 621,564	**$5,168,557**	**$ 5,790,121**

March 31, 2011	**Canada**	**Spain**	**Total**
Current assets	$1,925,821	$ 339,709	$ 2,265,530
Mineral properties	-	3,751,456	3,751,456
Equipment	-	62,844	62,844
	$1,925,821	$4,154,009	$ 6,079,830

January 1, 2010	**Canada**	**Spain**	**Total**
Current assets	$ 281,360	$ 113,313	$ 394,673
Mineral properties	-	698,761	698,761
Equipment	-	6,523	6,523
	$281,360	$ 818,597	$ 1,099,957

16. Loss per share

Basic and diluted loss per share
The calculation of basic earnings per share at June 30, 2011 was based on total comprehensive loss attributable to owners of $(6,344,099) (2010: $(137,131)), and a weighted average number of common shares outstanding of 55,685,241 (2010: 19,138,223)

	Total comprehensive loss attributable to owners for the period	Weighted average number of shares (thousands)	Per share amount $
Period ended June 30, 2011			
Total comprehensive loss attributable to owners – Basic and diluted	(6,344,099)	55,685	(0.11)
Period ended June 30, 2010			
Total comprehensive loss attributable to owners – Basic and diluted	(137,131)	19,138	(0.01)

17. Commitments

The Company's exploration activities are subject to foreign government laws and regulations, including foreign tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

The Company is committed to future minimum payments in Euros under vehicle lease, rents, mineral property and consulting agreements as follows:

	Amount in Euro As at		
Expected future commitments:	**June 30, 2011**	**March 31, 2011**	January 1, 2010
Less than 1 year	**209,000**	**206,130**	174,000
Later than 1 year and less than 5 years	**111,885**	**111,885**	150,000
Later than 5 years	**-**	**-**	-
	320,885	**318,015**	324,000

18. Comparative figures

Certain comparative figures have been reclassified to conform to current period presentation.

19. Subsequent events

On July 26, 2011, Eurotin closed a private placement, with a syndicate of agents. Under the private placement Eurotin issued 15,625,000 special warrants at an issue price of $0.80 per special warrant for gross proceeds of $12,500,000. The proceeds of this placement will be used primarily to accelerate the development of the Company's Spanish properties.

Each special warrant, subject to the penalty provision (as outlined below) and subject to adjustments in certain circumstances, will be exercisable into one unit of Eurotin, with each unit comprised of one Common Share and one half of one Common Share purchase warrant, for no additional consideration. Each full Warrant will entitle the holder to purchase one Common Share for a period of 2 years following the closing at an exercise price of $1.20 per Warrant.

All unexercised special warrants will be deemed to be exercised at 4:00 pm (Toronto time) on the earlier of: (a) November 27, 2011; and (b) the third business day after the date a final receipt is issued by each of the applicable securities regulatory authorities in Canada (except Quebec), for a final prospectus qualifying the distribution of the securities issuable upon exercise or deemed exercise of the special warrants. As such final receipts were issued on September 21, 2011, the special warrants will be deemed to be exercised on September 26, 2011.

As consideration for services in connection with the Private Placement, Eurotin has paid the syndicate of agents a cash commission equal to 6% of the gross proceeds of the offering and has issued compensation options equal to 5% of the special warrants sold pursuant to the Private Placement. The compensation options will be deemed to be exercised into broker warrants on the same date as the exercise of the special warrants. Each broker warrant is exercisable into one broker unit at an exercise price of $0.80 per broker unit. The broker units will be issued on the same terms as the special warrant units and shall be subject to the same penalty provision.

The Corporation entered into an advisory services agreement effective June 24, 2011, in conjunction with the private placement described above wherein an amount equal to 1% of the gross proceeds of the private placement were payable to the advisor. The agreement terminated on the completion date of the offering, September 26, 2011.

20. Explanation of transition to IFRS

The interim consolidated financial statements for the period ended June 30, 2011 are the Company's first consolidated financial statements prepared under IFRS. For all accounting periods prior to this, the Company prepared its consolidated financial statements under Canadian GAAP. In accordance with IFRS 1 'First time adoption of IFRS', certain disclosures relating to the transition to IFRS are given in this note. These disclosures are prepared under IFRS as set out in the basis of preparation in Note 2.

IFRS 1 allows first time adopters to IFRS to take advantage of a number of voluntary exemptions from the general principal of retrospective restatement. The Company has taken the following exemptions:

IFRS 3 Business Combinations ("IFRS 3")

The Company has elected to apply the exemption for retrospective application of IFRS 3 to business combinations that took place before the transition date.

IFRS 6 - Exploration for and Evaluation of Mineral Resources

The Company has elected to apply the exemption from full retrospective application of IFRS 6. As such the Company has at January 1, 2010, measured the exploration and evaluation assets at the amount determined under Canadian GAAP and measured the development and production assets by allocating the amount determined under Canadian GAAP to the underlying assets on a pro rata basis using reserve values at that date. As a result of using the IFRS 1 optional exemption, the exploration and evaluation assets and the development and production assets have been subjected to an impairment test.

IAS 23 – Borrowing Costs

IAS 23 has not been applied retrospectively. As at the transition date, the Company did not have any qualifying assets.

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")

The Company has elected to apply the exemption from full retrospective application of decommissioning liabilities as allowed under IFRS 1. As such the Company has re-measured the provisions as at January 1, 2010 under IAS 37 and recognized the difference between the amount determined under IAS 37 and the carrying amount of the provisions at January 1, 2010, directly in retained earnings.

IFRIC 4 - Determining whether an Arrangement contains a Lease ("IFRIC 4")

This IFRIC has not been applied retrospectively. The Company made an assessment as to whether an arrangement, existing at the Transition Date, contains a lease on the basis of the facts and circumstances existing at that date. The assessment was made in accordance with the requirements IFRIC 4. The Company did not identify any arrangements containing a lease on the transition date.

All amounts disclosed are in Canadian dollars unless otherwise stated.

A) Reconciliation of consolidated statements of financial position as at January 1, 2010

	Canadian GAAP $	Effects of transition to IFRS $	IFRS $
ASSETS			
Current assets			
Cash and cash equivalents	309,831	-	309,831
Trade and other receivables	84,842	-	84,842
	394,673	-	394,673
Non-current assets			
Equipment	6,523	-	6,523
Exploration and evaluation assets	698,761	-	698,761
	705,284	-	705,284
Total Assets	1,099,957	-	1,099,957
LIABILITIES			
Current liabilities			
Trade and other payables	224,201	-	224,201
Due to related parties	154,249	-	154,249
Due to Eurotin Inc.	25,000	-	25,000
	403,450		403,450
Non-current assets liabilities			
Convertible debt	470,803	-	470,803
SHAREHOLDERS' EQUITY			
Share capital	411,920	-	411,920
Common shares to be issued	281,360	-	281,360
Equity portion of convertible debt	131,846	-	131,846
Warrants	223,478	-	223,478
Deficit	(822,900)	-	(822,900)
	225,704	-	225,704
Total Liabilities and Shareholders' Equity	1,099,957	-	1,099,957

All amounts disclosed are in Canadian dollars unless otherwise stated.

B) Reconciliation of consolidated statements of financial position as at March 31, 2011

	Canadian GAAP $	Effect of transition to IFRS $	IFRS $
ASSETS			
Current assets			
Cash and cash equivalents	1,984,846	-	1,984,846
Trade and other receivables	280,684	-	280,684
	2,265,530	-	2,265,530
Non-current assets			
Equipment	62,844	-	62,844
Exploration and evaluation assets	3,751,456	-	3,751,456
	3,814,300	-	3,814,300
Total Assets	6,079,830	-	6,079,830
LIABILITIES			
Current liabilities			
Trade and other payables	796,919	-	796,919
Due to related parties	43,348	-	43,348
	840,267		840,267
SHAREHOLDERS' EQUITY			
Share capital	5,236,703	-	5,236,703
Common shares to be issued	1,207,078	-	1,207,078
Warrants	419,054	-	419,054
Contributed surplus	534,143	-	534,143
Deficit	(2,157,415)	-	(2,157,415)
	5,239,563	-	5,239,563
Total Liabilities and Shareholders' Equity	6,079,830	-	6,079,830

All amounts disclosed are in Canadian dollars unless otherwise stated.

C) Reconciliation of consolidated statement of comprehensive income for the fifteen months ended March 31, 2011

	Canadian GAAP $	Effects in transition to IFRS $	IFRS $
Revenue			
Salaries and benefits	102,746	-	102,746
Share-based payments	519,976	-	519,976
Professional fees	372,077	-	372,077
Amortization	2,687	-	2,687
General and administrative	225,984	-	225,984
Profit (loss) from operations	(1,223,470)	-	(1,223,470)
Interest income			
Interest, accretion and financing fees on long-term debt	(79,126)	-	(79,126)
Net foreign exchange gain (loss)	(31,919)	-	(31,919)
Total comprehensive income attributable to owners of the Company	(1,334,515)	-	(1,334,515)

C) Reconciliation of the consolidated statement of comprehensive income for the period ended June 30, 2010

	Canadian GAAP $	Effects in transition to IFRS $	IFRS $
Revenue			
Salaries and benefits	15,529	-	15,529
Share-based payments	-	-	-
Professional fees	50,481	-	50,481
Amortization	-	-	-
General and administrative	51,270	-	51,270
Profit (loss) from operations	(117,280)	-	(117,280)
Interest income	-		-
Interest, accretion and financing fees on long-term debt	(15,953)	-	(15,953)
Net foreign exchange gain (loss)	(3,898)	-	(3,898)
Total comprehensive income attributable to owners of the Company	(137,131)	-	(137,131)